



# COMMONWEALTH of VIRGINIA

*Joint Legislative Audit and Review Commission  
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## MEMORANDUM

TO: Members, Joint Legislative Audit and Review Commission

FROM: Phil Leone, Director 

SUBJECT: Results of 1999 JLARC Studies

During calendar year 1999, JLARC achieved significant results in helping the General Assembly conduct its legislative oversight responsibilities. This memorandum highlights many of the important areas in which JLARC assisted the General Assembly, ranging from refinements of the Medicaid reimbursement methodology for nursing facilities to enhancements of law enforcement training, from ongoing oversight of the Virginia Retirement System to reviews of fiscal impact statements prepared by agencies. JLARC made substantial contributions to help the General Assembly and the executive branch agencies improve government programs, operations, and services. Selected impacts of JLARC 1999 reports are summarized below.

### Improving the Accuracy of the Child Support Enforcement Caseload

House Joint Resolution 553 of the 1999 General Assembly Session directed JLARC to evaluate the State's child support enforcement activities. The Division of Child Support Enforcement (DCSE) at the Department of Social (DSS) employs over half of DSS' total staff. The division has about 900 positions; most are employed at the 22 district offices across the State. The division serves more than one in four of Virginia's children.

The interim report addressed certain caseload and funding issues. An important finding was that DCSE's caseload size might be overstated by as many as 46,000 cases. The study found that many cases can be closed or could be excluded from the caseload figure due to minimal work activity.

In response to a JLARC recommendation, DCSE began a statewide clean-up effort to close child support cases, when appropriate, to improve the accuracy of the number of cases receiving child support enforcement services. To date, the district offices have closed nearly 23,000 cases.

### **Strengthening Oversight of Legal Aid Programs in Virginia**

Item 40 of the 2000 Appropriation Act requires an annual report by the Virginia State Bar and the Legal Services Corporation of Virginia "regarding the status of legal services assistance programs in the Commonwealth." The report is to be made to the chairs of the House Appropriations and Senate Finance Committees. The requirement implements a recommendation from a JLARC special inquiry conducted during the Spring of 1999 at the request of the chair and vice-chair of JLARC (Senator Holland and Delegate Callahan). The inquiry regarded case management problems of the Legal Services of Northern Virginia (LSNV), the largest legal aid program in the State.

The JLARC staff report containing the findings from the inquiry stated that "the General Assembly may wish to require that the Legal Services Corporation periodically report to the legislature on the status of LSNV and Virginia's other legal services offices, as a method of promoting greater accountability." The staff recommendation explicitly enumerated three issue areas for the annual report to address. The 2000 Appropriation Act language explicitly requires the inclusion of each of these issue areas (accuracy of caseload data, an accounting of case openings and closings, and program activity levels) in the annual reports to be submitted by the Virginia State Bar and by the Legal Services Corporation.

### **Improving Regulation of Toxic Substances in State Waters**

During the 2000 Session, the General Assembly passed Senate Bill 179 and House Bill 404 regarding toxic substances in State waters. The patrons of these bills were Senator Hawkins and Delegate Bennett. Drafts of the bills resulted from a

collaborative effort between staff of the Department of Environmental Quality (DEQ) and JLARC to address some long-standing shortcomings in the State's responsiveness to issues involving toxic substances that were noted in a JLARC staff memorandum of July 1999.

Among the provisions contained in the bills are: an increase in the frequency of the State's cycle for conducting fish tissue and sediment assessments; a requirement for a written memorandum of agreement between DEQ and the Virginia Department of Health for the timely transmission and evaluation of water toxic data; and requirements for written State policies on the criteria for fish consumption advisories and for triggering a DEQ assessment of potential sources of toxic contamination. The General Assembly appropriated \$300,000 in each year of the biennium to provide funding for the increased frequency of fish tissue and sediment assessments that is proposed in the bills.

**Modifying Virginia Medicaid Reimbursement Methodology for Nursing Facilities to Ensure Quality Care**

Senate Joint Resolution 463 of the 1999 General Assembly Session directed JLARC to examine the Virginia Medicaid program's methodology for determining nursing facility reimbursements, including "the adequacy of reimbursement levels for providing quality care." The State's Medicaid program, including the reimbursements to nursing facilities, is administered by the Department of Medical Assistance Services. Virginia's Medicaid budget for FY 1999 was \$2.5 billion, of which about \$424 million was for Medicaid payments to nursing facilities to provide long-term care services to 27,630 residents. These reimbursements are paid almost equally by federal and State funds.

The study found that Virginia had controlled Medicaid reimbursements to the nursing facilities over the years, but certain components of the methodology had not been adequately updated and were excessively restrictive. As a consequence, some additional funding was needed to ensure that quality of care was provided more consistently across facilities. The report provided funding options of \$1.7 to \$31.8 million to address shortcomings found in the reimbursement of direct care costs, which include nursing and certified nursing assistants' salaries. In support of JLARC recommendations, the 2000 General Assembly added \$11.4 million to the 2000-2002 proposed budget funding increase of \$16.6 million. In addition, the General Assembly directed that the entire funding increase should be targeted to reimbursing direct

care costs. Through the actions of the 1999 and 2000 General Assembly, an annual increase of \$49.7 million was provided for nursing facility care.

#### **Improving Law Enforcement Officer Driving Skills**

The 1998 JLARC review of regional criminal justice training academies identified the lack of a driver training facility as a significant problem for law enforcement training statewide. Following the study, SJR 412 (1999), sponsored by Senator Holland, requested a feasibility study of constructing a facility at Fort Pickett. The General Assembly approved funds for initial planning. Consistent with JLARC recommendations, the 2000 General Assembly provided \$400,000 in FY 2001 to begin the design of the first phase of a law enforcement driver training complex at Fort Pickett. Both State and local law enforcement agencies will have access to the new facility.

#### **Stabilizing Membership of Regional Criminal Justice Training Academies**

The 1999 follow-up report on the membership of the regional criminal justice training academies resulted in legislative action to slow membership changes. For several years, directors of the academies had reported having difficulty planning and withdrawals. The JLARC report documented the problems with membership changes and recommended several options for consideration by the General Assembly. Senate Bill 293, sponsored by Senator Holland, implements a combination of two JLARC options by permitting membership changes only once every five years and by requiring a two-thirds vote of the academy board of directors to approve a membership addition or withdrawal. Membership withdrawals can be approved at other times only by unanimous consent of the academy board of directors.

#### **Improving Air Medevac Services**

Consistent with JLARC recommendations, the Virginia State Police were authorized to replace existing single engine helicopters used for medevac services in central and southwest Virginia. The larger aircraft will provide for improved medical services and enhanced police missions. The State Police were also authorized to purchase an additional twin engine helicopter.

Appropriation Act language permits the State Police to enter into a private lease agreement to acquire the aircraft for a ten-year period.

In response to another JLARC recommendation, the Department of Medical Assistance Services was directed to consider JLARC findings and re-evaluate the reimbursement rates that are paid to private air medevac providers. The department was directed to present a report and the recommended rates by September 15, 2000.

**Restructuring the Statewide Human Services Information and Referral Program**

House Joint Resolution 502 of the 1999 General Assembly Session directed JLARC to evaluate "the effectiveness of the Information and Referral Centers in the Commonwealth" and to determine "whether any legislative changes are necessary to enable the program to work more efficiently." The Statewide Human Services Information and Referral (I&R) program is established in statute as a three-tiered system, which includes: six regional I&R centers, the Department of Social Services, and an advisory council. The purpose of the I&R system is to help link people in need with community services designated to meet those needs.

The study found that Virginia's I&R system is not well developed, even though it has been established for a number of years and has been the focus of numerous studies and recommendations for improvement. In addition, the report also underscored that none of the players in the three-tiered system are currently meeting their statutory responsibilities. While changes to the current structure would improve performance, the larger policy question identified by the study is whether there are alternative arrangements that might be more effective.

In support of a JLARC recommendation, Delegate Landis introduced a budget amendment directing the Secretary of Health and Human Resources to develop a plan for restructuring the State's information and referral services. This plan is to include the feasibility of using 211 as a non-emergency information number and the development of a State-level web-based site with links to all local, regional, and State I&R resources across the Commonwealth.

**Revising the State Funding Formula for Digital TV Conversion at  
Virginia Public Television Stations**

The 2000 General Assembly provided \$3.6 million during the 2000-2002 Biennium to the Public Broadcasting Board to "lease or otherwise finance" approximately \$23.7 million worth of digital equipment for the Virginia stations (including WETA). Consistent with a JLARC recommendation, the Public Broadcasting Board was directed to allocate the State-financed equipment based on a formula that considers equity of station resources, the efficiency of station coverage, and the level of public service provided by the stations. Consistent with JLARC's recommendation to reduce duplication of coverage by the stations, funding for one station in Central Virginia was excluded from the State appropriation for digital conversion.

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